

	<p style="text-align: center;"><b>SOLICITATION AMENDMENT</b></p> <p>Solicitation Number: <u>RFP YH04-0001</u>  <b>Acute Care Services - CYE 04</b>  Amendment Number Three  Solicitation Due Date: March 31, 2003, 3:00 PM (MST)</p>	<p>Arizona Health Care Cost  Containment System Administration  (AHCCCSA)  701 East Jefferson, MD 5700  Phoenix, Arizona 85034  Michael Veit, (602) 417-4762</p>
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A signed copy of this amendment shall be included with the proposal, which must be received by AHCCCSA no later than the Solicitation due date and time. This solicitation is amended as follows:

1. As part of the Data Supplement that was previously issued, an Encounter Utilization Reports binder and CD was also issued. The information in the Encounter Utilization Reports did not previously include Per Member Per Month (PMPM) cost information. That information was being reviewed internally and also by Mercer and has now been authorized to be released. As a result, the summary information included in the previous binder has been updated and the reports and a CD have been generated with this additional information. This information is attached to this Amendment.
2. Please refer to Section C of the Data Supplement for information about the contents and layout of the CD.
3. The PMPM cost information will be used in addition to the health plan financial information in the development of the capitation rate ranges for CYE04.
4. All other terms and conditions remains the same, including the proposal due date and time.

Offeror hereby acknowledges receipt and understanding of this Solicitation Amendment.		This Solicitation Amendment is hereby executed this 7th day of March, 2003, in Phoenix, Arizona.
Signature	Date	
		Signed Copy in File
Typed Name and Title		Michael Veit
		Contracts and Purchasing Administrator
Name of Company		

## **Historical Utilization Data for Capitated Members**

### **Encounter Utilization Reports**

The following reports present historical encounter utilization information for capitated enrollees for contract year 18 (10/99-9/00), contract year 19 (10/00-9/01) and the first six months of contract year 20 (10/01-3/02 annualized). Utilization is shown for each risk group and age/sex category by county, GSA, and statewide. All of the column totals, GSA information, and statewide information have been weighted. These utilization reports are for prospective enrollment only.

Before utilizing this information, the bidder should review Section D, Service Matrix/ Selection Criteria. The Service Matrix defines and describes the selection criteria used for each of the service categories shown in this section. The bidder should also review Sections F and G providing the CRCS screen layouts for bidding and the Crosswalk from the Service Matrix to the CRCS screen layouts.

#### **Units per 1000**

The first set of reports in this section present utilization information by county and GSA. These detailed reports are sorted by contract year and then service categories within each year. The second set of reports in this section present statewide utilization. The statewide reports are sorted by service category first and then contract year under each service category.

The utilization information presented in this section represents historical annual utilization per 1,000 members. With the exception of the average length of stay information, the utilization statistics have been calculated by dividing the total number of the units/encounters counted, by the total number of member months in the rate code and age/sex categories, and multiplying the result by 12,000 (1,000 members for 12 months). The member months used in the denominator of the calculation can be found in Section I, Acute Capitated Member Months Paid.

#### **Unit Cost**

The first set of reports in this section present unit cost information by county and GSA. These detailed reports are sorted by contract year and then service categories within each year. The second set of reports in this section present statewide unit costs. The statewide reports are sorted by service category first and then contract year under each service category.

The unit cost information presented in this section represents historical annual unit costs for medical services. With the exception of the average length of stay information, the unit cost statistics have been calculated by dividing the total price of encounters (health plan paid, or valued at the AHCCCS FFS schedule if the provider is subcapitated) , by the total number of encounters.

#### **Cost PMPM**

The first set of reports in this section present cost PMPM information by county and GSA. These detailed reports are sorted by contract year and then service categories within each year. The second set of reports in this section present statewide costs PMPM. The statewide reports are sorted by service category first and then contract year under each service category.

The cost PMPM information presented in this section represents historical annual costs PMPM for medical services. The cost PMPM statistics have been calculated by dividing the total cost of the encounters (health plan paid, or valued at the AHCCCS FFS schedule if the provider is subcapitated) by the total number of member months in the rate code and age/sex categories.